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BY EMAIL

February 23, 2017

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2016-0152 – OPG Rate Smoothing Proposal

OEB staff have reviewed the letter filed by OPG on February 22, 2017 (signed by Barbara Reuber), and the two letters it enclosed: one from OPG President and CEO Jeff Lyash to the Minister of Energy (dated February 17, 2017), and a responding letter from the Minister to Mr. Lyash (dated February 21, 2017). These letters discussed a proposal by OPG to make certain amendments to *Ontario Regulation 53/05*.

OEB staff is concerned that these letters may have created an inaccurate impression regarding the role OEB staff and/or the OEB panel have played in OPG's proposal for an amendment to *Ontario Regulation 53/05* with respect to rate smoothing. OEB staff would like to take this opportunity to clarify the record.

Mr. Lyash's letter to the Minister states: "[c]oming out of discussions between OPG, the OEB panel, OEB staff and intervenors, we have identified an opportunity to further reduce the impact of our rate application. [...] We propose that Ontario Regulation 53/05 be changed to smooth the total customer bill impact arising from changes in OPG's combined payments by adjusting the amounts that OPG collects over time."

OEB staff would like to clarify that with respect to Mr. Lyash's letter any exchanges with the OEB panel or OEB staff on approaches to smoothing customer bill impacts took place during technical conferences and the presentation day held in a hearing room at the OEB's offices, and in the presence of the parties, as is appropriate in the context of an adjudicative proceeding.

Further, Ms. Reuber's letter of February 22 to the OEB also refers to a proposal which she states was "raised by the OEB and intervenors through the course of the proceeding." To the extent that Ms. Reuber or Mr. Lyash were referring to questions that were posed by OEB staff or the OEB panel on the public record during the presentation day, the un-transcribed technical conference, the transcribed technical conference, or through the interrogatory process, these should be viewed simply as questions and not as positions or suggestions. There should be no inference that OEB staff or the OEB panel have endorsed or favoured any particular approach to smoothing, which is an issue in the proceeding.

The OEB will of course continue to work within the legislative framework in setting OPG's payment amounts. To the extent there are any amendments to *Ontario Regulation 53/05*, the OEB will account for these changes in its final decision.

OEB staff invites OPG to further clarify the intended meaning of its letters at the outset of the oral hearing on February 27, 2017.

Yours truly,

Original signed by

Michael Millar
Counsel for Board staff